

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

APPLICATION OF TELIAX, INC.)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO PROVIDE FACILITIES BASED)
LOCAL EXCHANGE AND RESOLD LONG)
DISTANCE TELECOMMUNICATIONS SERVICES)
AND FOR FLEXIBLE REGULATION OF LOCAL)
EXCHANGE SERVICES AND ALTERNATIVE)
REGULATION OF LONG DISTANCE)
SERVICE OFFERINGS)

DOCKET NO. 2019-20-C

TeliAx, Inc.

Direct Testimony of

David Aldworth on behalf of TeliAx, Inc.

1 **Q. Will you please state your name and business address.**

2 A. My name is David Aldworth. My business address is 2150 W 29th Ave, #200, Denver, CO 80211.

3
4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Teliix, Inc., and hold the position of President and Chief Executive Officer.

6
7 **Q. Please give a brief description of your background and experience.**

8 A. I am the founder of Teliix, Inc. and serve as its President and Chief Executive Officer. I started the
9 company with the help of friends and family in 2004 and have since grown the company to several
10 thousand retail, enterprise and wholesale customers. I previously held positions as Marketing Director
11 for Accelr8 Technology Corporation (NYSE: AXK) and Director of Business Development for the
12 Colorado Office of Innovation and Technology.

13
14 **Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to present evidence describing the technical, managerial and financial
16 fitness of Teliix, Inc. to provide facilities-based and resold local exchange and long distance services
17 in South Carolina. This testimony will also describe the services proposed by Teliix, Inc. Finally, the
18 purpose of my testimony is to show that the public interest will be served by approval of the
19 application of Teliix, Inc. for a certificate of public convenience and necessity.

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1 **Q. Do you intend to incorporate by reference any documents into your testimony?**

2 A. Yes, I wish to incorporate by reference the underlying Application filed in this proceeding and its
3 associated exhibits. All of the statements and exhibits in the application are correct and true to the best
4 of my knowledge.
5

6 **Q. Has Teliix registered to do business in South Carolina?**

7 A. Yes. Teliix received Secretary of State Authority in South Carolina on March 6, 2018.
8

9 **Q. Please explain the Company's corporate structure.**

10 A. Teliix, Inc. is a privately held Colorado corporation formed on October 6, 2004.
11

12 **Q. Please describe the services Teliix proposes to offer.**

13 A. Teliix proposes to offer wholesale and retail competitive telecommunications service, including local
14 exchange, interexchange, and exchange access services, within the State of South Carolina using its
15 own facilities and services available from other facilities-based carriers.
16

17 **Q. Where in South Carolina does Teliix intend to offer its local services?**

18 A. Local exchange service will be offered within the present operating areas of AT&T BellSouth.
19

20 **Q. Does Teliix own any network switches or transmission facilities used in routing calls?**

21 A. Yes. Teliix's South Carolina operations will utilize existing switching facilities that are outside the
22 state of South Carolina in combination with leased facilities from other South Carolina carriers.
23

24 **Q. How will Teliix bill for its services?**

25 A. Teliix will bill customers directly.
26

1 **Q. How are trouble reports and repair concerns handled?**

2 A. Once it initiates operations, Teliix's toll free customer service telephone number will be available
3 twenty-four (24) hours per day, seven (7) days per week. The Company's toll-free telephone number
4 for customer inquiries, complaints and repair is 1-888-483-5429. Customers may also contact the
5 company in writing at the headquarters address at 2150 W 29th Ave, #200, Denver, CO 80211.
6

7 **Q. How are billing errors and complaints handled?**

8 A. Teliix's customers can call the 1-888-483-5429 to reach customer service. Customers may also
9 contact the Company via mail at the headquarters location or by initiating customer service inquiry
10 through Teliix's website at www.teliix.com.
11

12 **Q. Describe the proposed Teliix South Carolina tariffs.**

13 A. Teliix has included proposed tariffs, which contain the rules, regulations and rates for its local,
14 interexchange and access services as Exhibits D and E of the Application.
15

16 **Q. Does Teliix provide operator services?**

17 A. Teliix will provide operator services via its underlying carrier.
18

19 **Q. In what states is Teliix currently certificated?**

20 A. Teliix is authorized to provide service in Alabama, Colorado, District of Columbia, Florida, Georgia,
21 Illinois, Indiana, Iowa, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New
22 Hampshire, New Jersey, New Mexico, New York, Ohio, Oregon, Texas, and Washington,
23

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1 **Q. Describe Teliix's financial ability to operate as a telecommunications provider.**

2 A. Teliix has sufficient financial resources to provide the requested telecommunication services in South
3 Carolina, the financial capability to maintain these services, and the financial capability to meet its
4 lease obligations. The Company has provided financial statements as part of its application.
5

6 **Q. Do you believe Teliix is capable of delivering its proposed services in South Carolina?**

7 A. Yes, in addition to having sufficient financial resources, the senior management team of Teliix has a
8 strong background in telecommunications as demonstrated by the biographies included as **Exhibit C**
9 to the Company's application.
10

11 **Q. Where in South Carolina does Teliix intend to offer its services and how will those services be**
12 **offered?**

13 A. Teliix initially intends to offer wholesale telecommunications and retail services via a combination of
14 its own facilities (switches) and facilities from other carriers in areas served by AT&T BellSouth.
15

16 **Q. How do you plan to solicit customers?**

17 A. The Company plans to initially market its services to wholesale customers and to business customers.
18 Marketing of services will be done through its direct sales staff.
19

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1 **Q. Did TeliAx request any waivers in its application?**

2 A. Yes. The Company requested waivers from any requirements that our financial records be maintained
3 in conformance with the Uniform System of Accounts. We currently maintain our books and records
4 in accordance with GAAP; and therefore, do not possess the detailed cost data required by USOA. In
5 addition we requested a waiver of S.C. Reg. 103-610's requirement that our books be kept in South
6 Carolina. Our records are currently maintained at TeliAx's headquarters at 2150 W 29th Ave, #200,
7 Denver, CO 80211. Maintaining its books and records in South Carolina would be unduly
8 burdensome. TeliAx's registered agent in South Carolina is Corporation Service Company and will
9 bear any costs associated with the Commission's inspection of its books and records. TeliAx also
10 requested to be exempt from the requirement that we publish a local directory. TeliAx will make
11 arrangements with the incumbent carrier to include our customers in the directory published by the
12 incumbent LEC. TeliAx also requested a waiver of S.C. Regs. 103-612.3 since we are seeking
13 statewide authority. Finally, TeliAx requested a waiver of S.C. Regs. 103-607's requirement that it post
14 a bond since TeliAx does not intend to provide residential local exchange services at the present time.
15 At such time as TeliAx plans to offer residential local exchange services in South Carolina, the
16 company will comply with the bond requirement.

17
18 **Q. Did TeliAx request flexible regulatory treatment for its local exchange services?**

19 A. Yes. The Company will be a non-dominant, competitive provider of local exchange
20 telecommunications services. Therefore, TeliAx requests that the Commission regulate it in the same
21 relaxed fashion authorized in Order No. 98-165 in Docket No. 1997-467-C and extended to other
22 similarly situated carriers. TeliAx understands that this flexible regulatory treatment requires that it file
23 maximum rates for our service offerings. Local tariff filings would be presumed valid once they are
24 filed subject to the Commission's right to investigate the filing within thirty days.

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1 **Q. Is TeliAx requesting alternative regulation of its long distance business service, consumer card,**
2 **and operator service offerings?**

3 A. Although TeliAx does not initially intend to provide retail service offerings, if the Company provides
4 these offerings in the future, TeliAx requests that its long distance business service, consumer card, and
5 operator service offerings be regulated pursuant to the procedures described and set out in Docket No.
6 1995-661-C and as modified by Order No. 2001-997-C in docket No. 2000-407-C. It is TeliAx's intent
7 by this request to have these services regulated in the same manner as this Commission has permitted
8 for AT&T BellSouth and other interexchange carriers certificated in South Carolina.
9

10 **Q. Will the services your Company intends to provide meet the service standards of the**
11 **Commission?**

12 A. Yes.
13

14 **Q. Will granting your application adversely impact the availability of affordable local exchange**
15 **service?**

16 A. No.
17

18 **Q. Will TeliAx support universally available telephone service at affordable rates as required by**
19 **the Commission?**

20 A. Yes.
21

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1 **Q. How will South Carolina consumers benefit from Teliix's services?**

2 A. Certification of Teliix, Inc. will serve the public interest and offer several benefits to local
3 telecommunication customers in South Carolina. Experience with competition in other
4 telecommunications markets demonstrates the benefits that competition can bring to consumers.
5 Teliix's proposed services will provide multiple public benefits by increasing the competitive choices
6 available to users in South Carolina. Enhanced competition in telecommunications services likely will
7 further stimulate economic development in South Carolina. In addition, increased competition will
8 create incentives for all carriers to offer lower prices, more innovative services, and more responsive
9 customer service.

10
11 **Q. Does this conclude your testimony?**

12 A. Yes.